

810-8-1-.22. Exemptions Pertaining to the Additional Excise Tax on Gasoline, Motor Fuel and Lubricating Oil

(1) The additional excise tax of four cents (\$0.04) effective August 1, 1980, does not apply with respect to that gasoline and lubricating oil which the licensed distributor establishes to the satisfaction of the Department as being:

- (a) Sold to the United States.
- (b) Used to propel aircraft powered by reciprocating engines.
- (c) Used to propel ships, vessels, barges, railroad locomotives, and other railroad equipment.
- (d) Sold for agricultural purposes. The additional excise tax applies for gasoline and lubricating oil used in motor vehicles ~~travelling~~ traveling the highways of this state although engaged exclusively in agricultural purposes, or only incidentally operated upon a highway in moving between farms or parts of farms contiguous or in close proximity.

(e) Sold to governing bodies of counties and incorporated municipalities.

1. The governing body of a county or incorporated municipality is that body of the county or incorporated municipality which performs the legislative function and has the ultimate power to determine the policies of the county or incorporated municipality and control the activities of the county or incorporated municipality.

2. Governing bodies of counties and incorporated municipalities exempt from the additional excise tax include county commissions and city councils or city commissions or town councils.

3. Sales claimed by the licensed distributor as being made to a governing body of a county or incorporated municipality for highway use must be supported by invoice or other documents specifically billed to that governing body. It is further required that payments be made directly by the governing body. Any questionable sales may be substantiated or disallowed by determining whether payment for the gasoline or lubricating oil is made from an account controlled solely by the governing body of the county or incorporated municipality.

(f) Used in off-road vehicles which presently do not require state licensing; specifically, but not limited to, forklifts and other like devices not for use on the streets and highways of this state.

(g) Sold to city and county boards of education.

(h) Sold to private and church school systems, the Alabama Institute for Deaf and Blind, and the Department of Youth Services.

(2) Effective October 1, ~~1995~~ 2004, the additional excise tax of ~~four~~ six cents (~~\$0.04~~) (\$0.06) does not apply to the following sales of motor fuel by licensed distributors:

(a) Motor fuel sold to the United States,

- (b) Motor fuel used to propel aircraft powered by jet or turbine engines,
- (c) Motor fuel sold to governing bodies of counties and incorporated municipalities,
- (d) Motor fuel sold to city and county boards of education,
- (e) Motor fuel sold to the Alabama Institute for Deaf and Blind, the Department of Youth Services school district, and to private and church school systems,
- (f) Motor fuel sold as kerosene for lighting or heating purposes,
- (g) Motor fuel that is sold from one Alabama licensed distributor to another Alabama licensed distributor,
- (h) Motor fuel which is exported by a licensed distributor, and
- (i) Motor fuel that is used for off-road agricultural purposes on the farm. (Only if dyed motor fuel is unavailable.)

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Authority: §§ 40-2A-7(a)(5), 40-17-220, 40-2-11, 40-17-18, 40-17-221(a), 40-17-221(b), and 40-221(c) Code of Alabama 1975

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